

# **Bond Case Briefs**

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## **S&P: Missouri School Districts' Liquidity And Reserves Should Provide Near-Term Cushion Against Funding Cuts**

### **Key Takeaways**

- Missouri's most recent round of expenditure restrictions will likely weaken fiscal 2020 operating performance for many school districts.
- Nonetheless, we believe that most of our rated Missouri school districts carry sufficient reserves and liquidity to finish the fiscal year without material cash flow pressures.
- State aid funding for 2021 remains uncertain and could pose credit pressure depending on the depth and timing of cuts, with potential midyear and year-end cuts reducing time to adjust operations.
- Missouri's year-end budget cuts will likely mean weaker operating performance for state school districts, but S&P Global Ratings believes that most districts should avoid major cash flow issues on the strength of their reserves and liquidity.

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